

**UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF PUERTO RICO**

In re:

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

THE COMMONWEALTH OF PUERTO RICO, *et al.*,

Debtors.¹

PROMESA

Title III

No. 17 BK 3283-LTS

(Jointly Administered)

**This filing relates to the
Commonwealth.**

**JOINT STATUS REPORT OF THE COMMONWEALTH OF PUERTO RICO AND
RAFAEL A. CARRASQUILLO NIEVES REGARDING PROOF OF CLAIM NO. 15774**

To the Honorable United States District Court Judge Laura Taylor Swain:

The Financial Oversight and Management Board for Puerto Rico (the “Oversight Board”), as the sole Title III representative of the Commonwealth of Puerto Rico (the “Commonwealth” or “Debtor”) pursuant to section 315(b) of the *Puerto Rico Oversight, Management, and Economic Stability Act* (“PROMESA”),² and Rafael A. Carrasquillo Nieves (“Carrasquillo Nieves,” and, together with the Commonwealth, the “Parties”), respectfully submit this *Joint Status Report of*

¹ The Debtors in these Title III Cases, along with each Debtor’s respective Title III case number and the last four (4) digits of each Debtor’s federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (the “Commonwealth”) (Bankruptcy Case No. 17 BK 3283-LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation (“COFINA”) (Bankruptcy Case No. 17 BK 3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority (“HTA”) (Bankruptcy Case No. 17 BK 3567-LTS) (Last Four Digits of Federal Tax ID: 3808); (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico (“ERS”) (Bankruptcy Case No. 17 BK 3566-LTS) (Last Four Digits of Federal Tax ID: 9686); (v) Puerto Rico Electric Power Authority (“PREPA”) (Bankruptcy Case No. 17 BK 4780-LTS) (Last Four Digits of Federal Tax ID: 3747); and (vi) Puerto Rico Public Buildings Authority (“PBA”, and together with the Commonwealth, COFINA, HTA, ERS, and PREPA, the “Debtors”) (Bankruptcy Case No. 19-BK-5523-LTS) (Last Four Digits of Federal Tax ID: 3801) (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations)

² PROMESA is codified at 48 U.S.C. §§ 2101-2241.

the Commonwealth of Puerto Rico and Rafael A. Carrasquillo Nieves Regarding Proof of Claim No. 15774 pursuant to the Court's *Order Concerning Motion Filed by Rafael A. Carrasquillo Nieves (Docket Entry No. 15819)* (the "Meet and Confer Order"), dated February 11, 2021 [ECF No. 15825]:

I. PROCEDURAL BACKGROUND

1. Mr. Carrasquillo Nieves filed Proof of Claim No. 15774 (the "Claim") against the Commonwealth on May 16, 2018, with a stated amount of \$2,259,615.62. The Claim purported to assert liabilities arising out of a "future pension claim with respect to pension benefits and any other post-retirement benefits."

2. On March 12, 2020, this Court entered the *Order (A) Authorizing Administrative Reconciliation of Claims, (B) Approving Additional Form of Notice, and (C) Granting Related Relief* [ECF No. 12274] (the "ACR Order"), authorizing the Commonwealth to resolve certain claims, including claims relating to pensions and other retirement benefits, utilizing the Debtors' existing administrative processes.

3. On January 4, 2021, pursuant to the ACR Order, the Oversight Board transferred the Claim into the ACR Procedures³ by including the Claim on the *Seventh Notice of Transfer of Claims to Administrative Claims Reconciliation* [ECF No. 15534] (the "Seventh ACR Transfer Notice"). Pursuant to the Seventh ACR Transfer Notice, the Commonwealth intended to resolve the Claim utilizing the Pension/Retiree Procedures, as described in the ACR Order.

4. On February 10, 2021, and February 19, 2021, Mr. Carrasquillo Nieves filed two documents, [ECF Nos. 15819 and 15864] (the "First Transfer Objection" and the "Second Transfer

³ Capitalized terms used but not defined herein shall have the meaning ascribed to them in the ACR Order and its accompanying exhibits.

Objection,” respectively, and collectively, the “Transfer Objections”), requesting reconsideration of the Commonwealth’s decision to transfer the Claim into the ACR Procedures and resolve it utilizing the Pension/Retiree Procedures. In the Transfer Objections, Mr. Carrasquillo Nieves stated that his Claim does not assert liabilities arising from Mr. Carrasquillo Nieves’s future pension and retirement benefits, but rather, seeks to “hold the Commonwealth responsible” for alleged financial mismanagement.

5. On February 11, 2021, this Court issued the Meet and Confer Order. Therein, the Court dismissed the First Transfer Objection, without prejudice, directed the Parties to meet and confer, and ordered the Parties to file a status report by March 12, 2021.

II. THE PARTIES’ AGREEMENT TO RESOLVE THE CLAIM BEFORE THE TITLE III COURT

6. On March 3, 2021, counsel for the Oversight Board met and conferred telephonically with Mr. Carrasquillo Nieves.

7. Counsel for the Oversight Board explained that, in light of the additional information provided in the Transfer Objections⁴ regarding the nature of the Claim, the Oversight Board agrees with Mr. Carrasquillo Nieves that the Claim is not appropriate for resolution using the Pension/Retiree Procedures and, instead, should be resolved by the Title III Court. Further, counsel for the Oversight Board informed Mr. Carrasquillo Nieves that it reserves the right to object to the Claim on any grounds whatsoever.

⁴ The Second Transfer Objection was filed after the Court issued its Meet and Confer Order. The Parties discussed both Transfer Objections on their telephonic meet and confer, and agree that both Transfer Objections should be resolved by the Parties’ agreement.

8. Accordingly, the Parties jointly request the Court authorize and direct Prime Clerk, LLC, the Debtors' claims and noticing agent, to designate the Claim as "Asserted" on the official claims registry in the Title III cases.

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Dated: March 12, 2021
San Juan, Puerto Rico

Respectfully submitted,

/s/ Hermann D. Bauer

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CERTIFICATE OF SERVICE

I certify that on the date hereof, a true and correct copy of the above and foregoing was served upon all parties via the Court's electronic case filing system (ECF).

/s/ Hermann D. Bauer
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